

**Building Owners and Managers
Association of Ottawa
Financial Statements
December 31, 2005**

Auditors' Report	2
Financial Statements	
Financial Position	3 - 4
Revenues and expenses	5 - 6
Changes in Fund Balances	7
Cash Flows	8
Notes to Financial Statements	9 - 14

Auditors' Report

To the Members of
Building Owners and Managers Association

We have audited the financial position of Building Owners and Managers Association of Ottawa as at December 31, 2005 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton LLP

Chartered Accountants

Ottawa, Canada
February 3, 2006

Building Owners and Managers Association Financial Position

December 31, 2005

					2005	2004
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets						
Cash	56,366				56,366	46,396
Short-term investments (Note 5)	14,691	105,421	50,000	118,733	288,845	319,766
Accounts receivable	12,055				12,055	2,829
Prepaid expenses	3,418				3,418	4,362
Interest receivable		2,466	964	2,222	5,652	5,933
Interfund advances	18,191	(940)	(3,064)	(14,187)		
	104,721	106,947	47,900	106,768	366,336	379,286
Long-term investments (Note 6)		93,053			93,053	54,804
Capital assets (Note 7)	18,522				18,522	16,630
	123,243	200,000	47,900	106,768	477,911	450,720

Building Owners and Managers Association Financial Position

December 31, 2005

					2005	2004
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	61,611				61,611	66,865
Deferred membership revenue	37,420				37,420	35,880
Other deferred revenue	24,212				24,212	25,909
	<u>123,243</u>				<u>123,243</u>	<u>128,654</u>
FUND BALANCES						
Invested in capital assets	18,522				18,522	16,630
Unrestricted	<u>(18,522)</u>	<u>200,000</u>	<u>47,900</u>	<u>106,768</u>	<u>336,146</u>	<u>305,436</u>
		<u>200,000</u>	<u>47,900</u>	<u>106,768</u>	<u>354,668</u>	<u>322,066</u>
	<u>123,243</u>	<u>200,000</u>	<u>47,900</u>	<u>106,768</u>	<u>477,911</u>	<u>450,720</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Building Owners and Managers Association Operations

Year ended December 31, 2005

					2005	2004
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenues						
Awards	22,778				22,778	46,638
Curling	7,116				7,116	6,765
Education	235,034				235,034	233,774
Environment and energy	5,118				5,118	5,594
Golf	125,806				125,806	118,752
Lunch	107,588				107,588	103,257
Marketing	5,451				5,451	3,509
Membership	268,644				268,644	261,505
Office and general	26,804				26,804	7,329
Security and life safety						6,750
Ski	19,481				19,481	19,408
Telecommunications	5,490				5,490	1,093
Fall golf	20,072				20,072	24,450
Interest income	215	3,032	1,319	2,479	7,045	10,433
	849,597	3,032	1,319	2,479	856,427	849,257

Building Owners and Managers Association Operations

Year ended December 31, 2005

					2005	2004
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Expenses						
Awards	19,170				19,170	37,672
Communications	45				45	1,611
Curling	5,678				5,678	5,557
Education	192,106		2,100		194,206	198,336
Environment and energy	2,633				2,633	1,339
Golf	104,519				104,519	105,377
Lunch	68,068				68,068	77,290
Marketing	3,368				3,368	8,314
Membership	73,355				73,355	79,597
Office and general	98,384				98,384	84,967
Security and life safety						6,000
Ski	18,646				18,646	18,825
Telecommunications	1,781				1,781	175
Fall golf	14,714				14,714	17,605
Conventions	11,793				11,793	12,295
Government affairs	22,252			27,105	49,357	21,759
Audit committee	37				37	
Amortization	4,942				4,942	3,525
Salaries and benefits	151,586				151,586	173,192
Development charges and property tax reform				1,543	1,543	45,576
	793,077		2,100	28,648	823,825	899,012
Excess (deficiency) of revenues over expenses	56,520	3,032	(781)	(26,169)	32,602	(49,755)

The accompanying notes are an integral part of the financial statements.

Building Owners and Managers Association Changes in Fund Balances

Year ended December 31, 2005

					2005	2004
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	(38,303)	200,000	50,000	110,369	322,066	371,821
Excess (deficiency) of revenues over expenses	56,520	3,032	(781)	(26,169)	32,602	(49,755)
Interfund transfer (Note 3)	(18,217)	(3,032)	(1,319)	22,568		
Balance, end of year	-	200,000	47,900	106,768	354,668	322,066

The accompanying notes are an integral part of the financial statements.

Building Owners and Managers Association Cash Flows

Year ended December 31, 2005

	<u>2005</u>	<u>2004</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	32,602	(49,755)
Non-cash items		
Amortization	4,942	3,525
Changes in working capital items (Note 4)	<u>(13,412)</u>	<u>2,565</u>
Cash flows from operating activities	<u>24,132</u>	<u>(43,665)</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	(7,328)	24,338
Purchase of capital assets	<u>(6,834)</u>	<u>(9,331)</u>
Cash flows from investing activities	<u>(14,162)</u>	15,007
Net decrease in cash	9,970	(28,658)
Cash position, beginning of year	<u>46,396</u>	<u>75,054</u>
Cash position, end of year	<u>56,366</u>	<u>46,396</u>

The accompanying notes are an integral part of the financial statements.

Building Owners and Managers Association

Notes to Financial Statements

December 31, 2005

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Building Owners and Managers Association of Ottawa (BOMA Ottawa), as the voice of the commercial real estate industry in the National Capital area, is the recognized advocate of the building owners and managers in supporting their goals as professional and socially responsible businesses, so as to increase the economic benefit to its members, their employees and clients, and the broader community.

The mission of BOMA Ottawa is to represent the interests of commercial real estate owners and managers, by being the voice of the real estate industry in the National Capital area, through advocacy, promoting the highest industry standards and educational development and by fostering relationships amongst its members and within the community it operates.

BOMA Ottawa is affiliated with BOMA Canada and BOMA International.

The Association is incorporated without share capital as a non-profit organization within the meaning of the *Income Tax Act*.

2 - ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. Actual results may differ from these estimates.

Investments

The investments are recorded at the lower of cost and market value.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives according to the following methods and annual rates:

	<u>Methods</u>	<u>Rates</u>
Computer equipment	Diminishing balance	30%
Office equipment	Diminishing balance	20%

Revenue recognition

The Association follows the deferral method of accounting for revenue. Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Building Owners and Managers Association

Notes to Financial Statements

December 31, 2005

2 - ACCOUNTING POLICIES (Continued)

Fund accounting

During 2004, the Association created separate funds in its accounts for the activities of its general fund, general reserve fund, education scholarship fund and industry defense fund.

Assets, liabilities, revenues and expenses relating to the general operations are reported in the general fund.

Assets, liabilities, revenues and expenses relating to the general reserve are reported in the general reserve fund for the purpose of maintaining adequate reserve funds to cover general operating activities for one year.

Assets, liabilities, revenues and expenses relating to the support of the Association's scholarship program are reported in the education scholarship fund.

Assets, liabilities, revenues and expenses relating to the financial support of significant issues that impact the local BOMA Ottawa membership are reported in the industry defence fund.

3 - INTERFUND TRANSFERS

During 2005, the Board of Directors approved the transfer of the investment income from the general reserve fund of \$3,032 (\$2,712 in 2004) and the investment income from the educational scholarship fund of \$1,319 (\$1,069 in 2004) to the industry defence fund.

4 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The changes in working capital items are detailed as follows:

	<u>2005</u>	<u>2004</u>
	\$	\$
Accounts receivable	(9,226)	(396)
Prepaid expenses	944	4,041
Interest receivable	281	5,231
Accounts payable and accrued liabilities	(5,254)	(23,540)
Deferred membership revenue	1,540	23,176
Other deferred revenue	(1,697)	(5,947)
	<u>(13,412)</u>	<u>2,565</u>

5 - SHORT-TERM INVESTMENTS

	<u>2005</u>	<u>2004</u>
	\$	\$
General fund - RBC Canadian treasury bill fund	14,691	6,574
General fund - B2B Trust guaranteed investment certificate, 2.4%		1,795
Industry defence fund - RBC Canadian treasury bill fund	1,442	11,202

Building Owners and Managers Association

Notes to Financial Statements

December 31, 2005

5 - SHORT-TERM INVESTMENTS (Continued)

	<u>2005</u>	<u>2004</u>
	\$	\$
Industry defence fund - Royal Bank cashable guaranteed income certificate, 2.15%, due January 13, 2006	57,290	
Industry defence fund - Bank of Montreal cashable guaranteed income certificate, 2.2%, due March 10, 2006	60,000	
Industry defence fund - Manulife Bank guaranteed investment certificate, 2.4%		45,000
Industry defence fund - Equitable Trust guaranteed investment certificate, 2.35%		60,000
Education scholarship fund - Pacific & Western guaranteed income certificate, 2.65%, due January 12, 2006	25,502	
Education scholarship fund - Bank of Montreal cashable guaranteed income certificate, 2.35%, due June 19, 2006	24,498	
Education scholarship fund - B2B Trust guaranteed investment certificate, 2.4%		24,905
Education scholarship fund - Pacific & Western guaranteed investment certificate, 2.75%		25,095
General reserve fund - Citizens Bank guaranteed investment certificate, 3.05%, due April 6, 2006	25,650	
General reserve fund - Bank of Montreal cashable guaranteed income certificate, 2.35%, due June 22, 2006	52,371	
General reserve fund - TD Mortgage corp guaranteed income certificate, 3.2%, due September 28, 2006	27,401	
General reserve fund - Citizens Bank guaranteed investment certificate, 2.2%		50,195
General reserve fund - Canadian Western Bank guaranteed investment certificate, 2.75%		40,000
General reserve fund - Bank of Montreal guaranteed investment certificate, 1.95%		55,000
	<u>288,845</u>	<u>319,766</u>

The market value of the short-term investments as at December 31, 2005 is \$294,380 (2004 - \$324,925), which represents the cost plus accrued interest to date.

Building Owners and Managers Association

Notes to Financial Statements

December 31, 2005

6 - LONG-TERM INVESTMENTS

	<u>2005</u>	<u>2004</u>
	\$	\$
General reserve fund - RBC Royal Bank guaranteed investment certificate, 3.55%, due September 28, 2007	27,403	27,403
General reserve fund - Equitable trust guaranteed income certificate, 3.35%, due April 9, 2007	25,650	
General reserve fund - Manulife bank guaranteed income certificate, 3.2%, due June 20, 2008	40,000	
General reserve fund - TD Mortgage Corp., 3.2%, due September 28, 2006		27,401
	<u>93,053</u>	<u>54,804</u>

The market value of the long-term investments as at December 31, 2005 is \$95,587 (\$55,275 in 2004), which represents the cost plus accrued interest to date.

7 - CAPITAL ASSETS

	<u>2005</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Computer equipment	13,789	3,842	9,947
Office equipment	49,652	41,077	8,575
	<u>63,441</u>	<u>44,919</u>	<u>18,522</u>
			<u>2004</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Computer equipment	6,955	1,043	5,912
Office equipment	49,652	38,934	10,718
	<u>56,607</u>	<u>39,977</u>	<u>16,630</u>

Building Owners and Managers Association

Notes to Financial Statements

December 31, 2005

8 - GENERAL FUND

	<u>2005</u>	<u>2004</u>
	Net	Net
	\$	\$
Net revenue and (expense) analysis		
Awards	3,608	8,966
Communications	(45)	(1,611)
Curling	1,438	1,208
Education	42,928	35,438
Environment and energy	2,485	4,255
Golf	21,287	13,375
Lunch	39,520	25,967
Marketing	2,083	(4,805)
Membership	195,289	181,908
Office and general	(71,580)	(77,638)
Security and life safety		750
Ski	835	583
Telecommunications	3,709	918
Fall golf	5,358	6,845
Other revenue (expenses)		
Interest income	215	4,488
Conventions	(11,793)	(12,295)
Government affairs	(22,252)	(21,759)
Audit committee	(37)	
Amortization	(4,942)	(3,525)
Salaries and benefits	(151,586)	(173,192)
	<u>56,520</u>	<u>(10,124)</u>

9 - COMMITMENT

Operations are conducted from premises which are leased. The Board has approved a new lease agreement with monthly lease payments of approximately \$2,100 totalling \$25,200 in 2006 and \$14,700 in 2007. The new lease expires in July 2007.

Building Owners and Managers Association

Notes to Financial Statements

December 31, 2005

10 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments:

Short-term financial instruments

The fair market value of short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly.